

Message Text

CONFIDENTIAL

PAGE 01 KINGST 04014 091923Z

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ACTION SS-25

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FM AMEMBASSY KINGSTON

TO SECSTATE WASHDC 6228

C O N F I D E N T I A L KINGSTON 4014

EXDIS

E.O. 11652: N/A

TAGS: EFIN, EMIN, PFOR, OVIP, JM, US.

SUBJECT: PRIME MINISTER'S VIEWS ON BAUXITE AND DESIRE
TO VISIT U.S.

REFS: (A) KINGSTON 3560; (B) KINGSTON 3909

1. SUMMARY: AMBASSADOR CALLED ON P.M. MANLEY NOVEMBER 7 TO DISCUSS KHMER ISSUE (SEPTTEL) AND FOR GENERAL EXCHANGE OF VIEWS. DURING COURSE 70 MINUTE CONVERSATION P.M. EXPRESSED CONSIDERABLE OPTIMISM THAT AGREEMENTS WILL BE CONCLUDED WITH KAISER AND REVERE BY END OF YEAR AND THAT AGREEMENTS WITH OTHER COMPANIES WILL FOLLOW NOT LONG AFTER. P.M. REITERATED HIS KEEN INTEREST IN VISITING WASHINGTON IN EARLY 1975 AND DISCUSSED WHAT HE WOULD LIKE TO DO IF VISIT COULD BE ARRANGED, INCLUDING CALLS ON PRESIDENT AND SECRETARY.

2. BAUXITE: THE AMBASSADOR OPENED DISCUSSION THIS TOPIC BY STATING THAT DURING HIS RECENT CONSULTATIONS IN WASHINGTON EVERYONE HE TALKED WITH EXPRESSED THE HOPE THAT THE GOJ AND THE BAUXITE COMPANIES COULD ACHIEVE A QUICK AND AMICABLE AGREEMENT ON THEIR OUTSTANDING DIFFERENCES AND THEREBY OBIVIATE THE NECESSITY FOR A COMPLETION OF THE ICSID APPEAL PROCESS. THE P.M. RESPONDED THAT HE KNEW ALCOA HAD STRONG FEELINGS ON ICSIDE AND WAS PREPARING A CASE BUT THAT HE FELT THE CURRENT NEGOTIATING SITUATION AND CLIMATE WAS GOOD. HE SAID HE WAS KEENLY AWARE OF ALL THE RAMIFICATIONS SHOULD THE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KINGST 04014 091923Z

ICSID APPEAL RUN THE FULL COURSE AND THOUGHT THAT ALL THE

PARTIES WOULD LIKE TO AVOID THAT TYPE OF CONFRONTATION.

3. THE P.M. SAID THE TALKS WITH KAISER AND REVERE WERE MOVING ALONG WELL AND THAT THE INITIAL DISCUSSION PHASE SHOULD BE COMPLETED IN THREE WEEKS. IN THAT REGARD KAISER V.P. J. H. LINDEMUTH WAS EXPECTED IN KINGSTON THIS WEEKEND. P.M. CONFIDENT THAT NEGOTIATIONS WITH KAISER AND REVERE WOULD BE WOUND-UP BY END OF YEAR AND THAT KAISER'S ICSID APPEAL WOULD BE OBIATED BY PACKAGE DEAL CONCLUDED. A NEW ALUMINA PLANT WITH THE JOINT PARTICIPATION OF KAISER, JAMAICA AND MEXICO MAY BE PART OF THE PACKAGE. P.M. DOES NOT THINK NEGOTIATIONS WITH OTHER COMPANIES WILL DRAG OUT AND HE HOPEFUL OUTLINE OF BASIC AGREEMENTS WITH THEM CAN BE WORKED OUT IN JANUARY.

4. P.M. EXPRESSED HIS PLEASURE WITH REACTION IN U.S. TO GOJ PURCHASE OF KAISER AND REYNOLDS STOCK. AMBASSADOR NOTED STATEMENTS BOTH COMPANIES ON PURCHASE WERE MOST POSITIVE AND HE THEREFORE CURIOUS AS TO WHOM P.M. WAS REFERRING IN HIS SPEECH TO IBA EXECUTIVE BOARD (REF B), WHEN HE SAID SOME MEMBERS INDUSTRY HAD BEEN CRITICAL OF GOJ STOCK PURCHASES. P.M. REPLIED THAT HE INFORMED PRIVATELY THAT ALCOA PRESIDENT HARPER WAS NOT PLEASED. P.M. WENT ON TO SAY HE HAD GREAT ADMIRATION AND RESPECT FOR HARPER AND WAS TROUBLED THAT HE FELT PERSONALLY HURT BY P.'S UNILATERAL IMPOSITION OF NEW BAUXITE LEVY. THIS FACTOR UNQUESTIONABLY WAS AFFECTING GOJ'S NEGOTIATIONS WITH ALCOA AND HE FERVENTLY WISHED SOME MEANS COULD BE FOUND TO DEPERSONALIZE DIFFERENCES.

5. WASHINGTON VISIT: ANTICIPATING A QUESTION ON THIS SUBJECT THE AMBASSADOR SAID THAT WHILE HE HAD NOT RECEIVED A FORMAL REPLY TO THE GOJ'S INQUIRY (REF A), HE HAD DISCUSSED IN WASHINGTON THE POSSIBILITY OF A VISIT IN EARLY 1975. THE IDEA WAS FAVORABLY RECEIVED IN PRINCIPLE, THE GENERAL REACTION BEING THAT IT COULD BE USEFUL AND CONSTRUCTIVE IF THE BAUXITE NEGOTIATIONS WITH THE U.S. COMPANIES WERE SUBSTANTIALLY WRAPPED-UP BEFOREHAND. P.M. AGREED CLIMATE FOR VISIT MOST IMPORTANT AND MAJOR OUTSTANDING BAUXITE ISSUES WOULD

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 KINGST 04014 091923Z

HAVE TO BE RESOLVED BEFORE IT COULD TAKE PLACE.

6. P.M. ENVISAGES PRIVATE, MINIMUM PROTOCOL VISIT, KEY ELEMENTS OF WHICH WOULD BE OFFICE MEETINGS WITH PRESIDENT AND SECRETARY KISSINGER. ASSUMING SUFFICIENT PROGRESS ON BAUXITE FRONT AND AVAILABILITY OF PRESIDENT AND SECRETARY HE WOULD LIKE TO MAKE VISIT TOWARD END OF JANUARY, AS TIMING WOULD ALLOW HIM COORDINATE WITH

PLANNED TRIP TO PARIS (FIRM DATES YET TO BE DETERMINED)
AT INVITATION OF FRENCH GOVERNMENT. P.M. EMPHASIZED
THAT HE CONSIDERED VISIT TO U.S. MUCH MORE IMPORTANT AND IF
NECESSARY WOULD GLADLY CHANGE PARIS VISIT PLANS TO
ACCOMMODATE SCHEDULES OF U.S. PRINCIPALS.

7. P.M. MENTIONED THAT HE HAD RECENTLY LISTENED TO
TAPE OF HIS FATHER'S ADDRESS TO PRESS CLUB AND THAT HE
TOO WOULD LIKE TO ADDRESS GROUP. HE ALSO DESIRES
MEETINGS WITH CONGRESSIONAL GROUPS TO DISCUSS TRADE
WITH CARIBBEAN AND PRICING OF RAW MATERIALS.

8. AMBASSADOR SAID HE WOULD PASS ON TO WASHINGTON FOR
CONSIDERATION P.M.'S THINKING ON POSSIBLE PRIVATE VISIT,
AND OFFERED OPINION THAT WITH PRESIDENT'S AND SECRETARY'S
HEAVY ADVANCE SCHEDULE COMMITMENTS IT MIGHT BE DIFFICULT
TO FIND A TIME IN EARLY 1975 WHEN BOTH WOULD BE IN
WASHINGTON AND AVAILABLE AT SAME TIME.

9. COMMENT: P.M. ATTACHES CONSIDERABLE SIGNIFICANCE TO
WASHINGTON VISIT AND IS EAGER TO SEE IT COME OFF. IF
PLAYED RIGHT IT COULD PROVIDE LEVER TO INFLUENCE PACE OF
NEGOTIATIONS. OBVIOUSLY, BASIC RESOLUTION BAUXITE ISSUE
IS KEY TO TIMING OF VISIT, AND NO FIRM COMMITMENT SHOULD
BE MADE UNTIL SUBSTANTIAL PROGRESS IS ACHIEVED. FURTHERMORE,
PM MAY WELL BE OVER-OPTIMISTIC ON TIMING OF POSSIBLE SETTLE-
MENTS. HOWEVER, EMBASSY WOULD APPRECIATE DEPARTMENT'S THINKING
ON POSSIBLE DATES AND HOW BEST WE COULD USE VISIT TO SPUR
SPEEDY RESOLUTION BAUXITE ISSUE.
GERARD

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